

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2004-116-C

POSTED
14 Jun RNg

S.A. 5
Legal 1

CBA
DUB
A

In re:)
)
Application of)
Volo Communications of South Carolina, Inc.,)
For a Certificate of Public Convenience and)
Necessity to Provide Local Exchange)
Telecommunications Services.)

SC PUBLIC SERVICE
COMMISSION
2004 JUN 11 PM 4:28

RECEIVED

DIRECT TESTIMONY OF SHAWN LEWIS

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Shawn Lewis and my business address 151 S. Wymore Rd., Suite
3 3000, Altamonte Springs FL 32714-4254.

5 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

6 A. I am the President of Volo Communications of South Carolina, Inc. ("Volo").

8 Q. PLEASE PROVIDE YOUR DUTIES FOR THE COMPANY.

9 A. I am in charge of all operations of the Company, as well as acting as liaison with
10 applicable governmental agencies.

12 Q. COULD YOU PROVIDE A BRIEF BACKGROUND OF YOUR
13 INDUSTRY EXPERIENCE?

14 A. In 1996, I was a co-founder of XCOM Technologies, which was one of the first
15 CLECs in the United States and certified in six states. At that point, I also carried

1 the very first soft-switch architecture, which allowed for Internet off-load, voice
2 over IP telephony, and the integration of switching. I served XCOM as Chief
3 Technologies Officer and Chief Operations Officer. XCOM was then acquired by
4 Level 3 Communications, at which point I also served as Vice President within
5 Level 3 Communications for a period of a year and a half. My responsibilities
6 included the implementation of switching facilities, deploying Nortel DMS-500
7 switches, and various negotiations with RBOC's for interconnection. Further, I
8 founded another technology company related to the cable TV industry. Several
9 years ago I founded Caerus, Inc. and its subsidiary, Volo Communications, Inc. to
10 provide telecommunications services.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. The purpose of my testimony is to support the application of Volo for a certificate
14 of authority to provide facilities-based and resold competitive local exchange
15 telecommunications services within the State of South Carolina (the
16 "Application"); and (2) to demonstrate Volo's technical, managerial and financial
17 capability to provide telecommunications services in South Carolina. This
18 testimony will also describe the services proposed by Volo and the proposed tariff
19 structure. Finally, the purpose of my testimony is to show that the public interest
20 will be served by approval of the application of Volo for a Certificate of Public
21 Convenience and Necessity.

22
23 **Q. ARE YOU FAMILIAR WITH THE APPLICATION THAT VOLO**
24 **SUBMITTED TO THIS COMMISSION?**

1 A. Yes.

2 **Q. DO YOU RATIFY AND CONFIRM THE STATEMENTS MADE IN THE**
 3 **APPLICATION?**

4 A. Yes, I do.

5

6 **Q. DO YOU WISH TO INCORPORATE BY REFERENCE ANY**
 7 **DOCUMENTS INTO THIS TESTIMONY?**

8 A: Yes. I would like to incorporate by reference the Application and its exhibits filed
 9 previously in this Docket.

10

11 **Q: PLEASE DESCRIBE VOLO'S CORPORATE STRUCTURE.**

12 A. Volo is a Delaware corporation that was duly organized on October 22, 2003.
 13 Copies of Volo's certificate of incorporation and articles of incorporation are
 14 attached to Volo's Application at Exhibit "A." Volo received foreign corporation
 15 authority on October 28, 2003. A copy of Volo's Certificate of Authorization was
 16 attached to the Application as Exhibit "B".

17

18 **Q. HOW LONG HAS THE COMPANY BEEN IN BUSINESS?**

19 A. The Company's parent, Volo Communications, Inc., was organized on May 15,
 20 2002. Volo Communications of South Carolina, Inc. itself was organized on
 21 October 22, 2003 and is prepared to offer telecommunications services in 2004.

22

1 **Q. PLEASE DESCRIBE VOLO'S PROPOSED OPERATIONS IN SOUTH**
2 **CAROLINA.**

3 A. Volo is seeking authority from the Commission to provide facilities-based and
4 resold competitive local exchange telecommunications services throughout the
5 State of South Carolina to carrier and business customers.

6
7 **Q. ARE YOU FAMILIER WITH THE TARIFF SUBMITTED AS AN**
8 **EXHIBIT TO THIS APPLICATION?**

9 A. Yes.

10

11 **Q. WAS THE TARIFF PREPARED FOR YOU OR UNDER YOUR**
12 **SUPERVISION?**

13 A. Yes. It was prepared under my supervision.

14

15 **Q. IN YOUR OPINION, ARE YOUR PROPOSED RATES CONTAINED IN**
16 **THE TARIFF JUST AND REASONABLE?**

17 A. Yes.

18

19 **Q. WILL THE COMPANY PROVIDE ANY EQUIPMENT OR FACILITIES**
20 **IN CONNECTION WITH ITS SERVICES?**

21 A. No, the Company does not intend to own, operate, control or manage any
22 telecommunications transmission facilities within in the State of South Carolina,
23 and does not intend to obtain any such facilities or equipment at this time.

1 However, the Company reserves the right to install its own facilities if and when
2 business conditions warrant, and upon arrival of the Commission.

3
4 **Q. DESCRIBE THE PROPOSED VOLO SOUTH CAROLINA TARIFF.**

5 A. Volo has filed a proposed local exchange tariff, which contain the rules,
6 regulations and rates for Volo's services. With respect to local exchange services,
7 Volo will provision a variety of services using the unbundled network element
8 platform ("UNE-P"). Services are provided to both carrier and business
9 customers. Applicant also proposes to offer intrastate long distance services in
10 conjunction with interstate services. Volo's services are not mileage-sensitive. I
11 believe that Volo's tariff will comport with all Orders, Rules and Regulations of
12 the Commission necessary to comply with all such applicable authority.

13 Should the Application be granted, Volo plans to commence offering
14 services in the third quarter of 2004, upon the execution of the appropriate and
15 necessary interconnection agreement(s) with the appropriate Incumbent Local
16 Exchange Carriers ("ILECSs").

17
18 **Q. WHAT REGULATORY TREATMENT IS VOLO SEEKING IN THIS**
19 **APPLICATION?**

20 A. Volo requests that the Commission allow it to employ a flexible local exchange
21 rate structure first authorized by Order No. 98-165 in Docket No. 97-467-C.
22 Specifically, Volo requests that the Commission: a) adopt for local exchange
23 services a competitive rate structure incorporating maximum rate levels with the
24 flexibility for rate adjustment below the maximum rate levels; and b) presume that

1 Volo's tariff filings for local exchange services be valid upon filing, subject to the
2 Commission's authority, within thirty (30) days, to institute an investigation of
3 such filings. At the discretion of the Commission such filings may be suspended
4 pending further order of the Commission and any such filings may be subject to
5 the same monitoring process as the Commission applies to other, similarly
6 situated carriers.

7
8 **Q. WHERE DOES THE COMPANY ANTICIPATE OFFERING ITS**
9 **SERVICES IN SOUTH CAROLINA?**

10 A. The Company intends to offer its services on a statewide, non-rural basis. Local
11 exchange services will be offered in the geographic service territories of
12 BellSouth Telecommunications, Inc. ("BellSouth") and Verizon-South, Inc.
13 ("Verizon").

14
15 **Q. DOES THE COMPANY PROVIDE PAYPHONE SERVICES?**

16 A. No. The Company does not provide payphone services.

17
18 **Q. HOW WILL THE COMPANY MARKET ITS SERVICES:**

19 A. The Company will market its services by using independent agents an/or in-house
20 sales representatives.

1 **Q. IS THE COMPANY CERTIFIED OR OTHERWISE AUTHORIZED TO**
 2 **PROVIDE SERVICE OF THE TYPE DESCRIBED HEREIN IN ANY**
 3 **OTHER STATES?**

4 A. Yes. Volo is authorized in Florida, Idaho, Massachusestts, New Hampshire, New
 5 York, Rhode Island, Vermont, and Wisconsin.

7 **Q IN WHAT OTHER STATES WILL THE COMPANY SEEK**
 8 **CERTIFICATION?**

9 A. Applications are pending in Arizona, Connecticut, Delaware, District of
 10 Columbia, Georgia, Maryland, North Carolina, Ohio, Pennsylvania, Texas and
 11 Virginia.

13 **Q. WILL VOLO FILE ALL APPLICABLE REPORTS REQUIRED BY THE**
 14 **COMMISSION?**

15 A: Yes. The Company is aware of the Commission's requirements that all
 16 telecommunications carriers file a report on South Carolina operations, a gross
 17 receipts report, and a universal service contribution report on an annual basis.

19 **Q. DOES VOLO POSSESS SUFFICIENT TECHNICAL AND FINANCIAL**
 20 **CAPABILITY TO OFFER ITS PROPOSED SERVICES IN SOUTH**
 21 **CAROLINA?**

22 A. Yes. Volo possesses sufficient technical and financial capability to provide
 23 facilities-based and resold competitive local exchange telecommunications
 24 services in South Carolina.

1 **Q. HOW WILL VOLO BILL FOR ITS SERVICES?**

2 A. Calls are billed directly by the company on a monthly basis. Per Commission
3 Rule 103-612.2.2, the Company will provide a copy of its customer billing bill
4 along with its final tariff should certification be granted.

5
6 **Q. HOW ARE TROUBLE REPORTS HANDLED?**

7 A. Volo utilizes a nationwide toll-free number, 1-866-711-2663 for customer service.
8 Customers may call that number twenty-four (24) hours a day, seven (7) days a
9 week. This toll-free number is printed on customer billing statements.

10
11 **Q. HOW ARE BILLING ERRORS AND COMPLAINTS HANDLED?**

12 A. The Customer Service Department is open during normal business hours (9:00 am
13 to 6:00 pm, Monday through Friday). Customer service representatives are
14 prepared to respond to a broad range of service matters including: 1) the types of
15 services offered, 2) monthly billing statements; 3) problems or concerns
16 pertaining to a customer's current service; and 4) general telecommunications
17 matters.

18
19 **Q. HAS VOLO INITIATED INTERCONNECTION NEGOTIATIONS WITH**
20 **ANY INCUMBENT LOCAL EXCHANGE COMPANIES IN SOUTH**
21 **CAROLINA?**

22 A. Yes. Volo has entered into a negotiated Interconnection Agreement with
23 BellSouth (the "Agreement"). BellSouth will promptly file the Agreement for
24 approval by the Commission after the Commission has granted Volo authority to

1 provide telecommunications services. In the future, Volo may also seek to enter
2 into interconnection agreements with various other incumbent local exchange
3 companies operating in South Carolina.

4
5 **Q. PLEASE DESCRIBE VOLO'S FINANCIAL ABILITY TO OPERATE AS**
6 **A TELECOMMUNICATIONS PROVIDER.**

7 A. Volo has a solid financial base from which to begin operation as a provider of
8 telecommunications services. The Company's financial statements were included
9 in its application as Exhibit "C". At the time of hearing, if necessary, I will
10 provide further testimony to support Volo's financial abilities.

11
12 **Q. WILL VOLO PREPARE ITS FINANCIAL STATEMENTS IN**
13 **ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING**
14 **PRINCIPLES ("GAAP")?**

15 A. Yes. Volo intends to prepare its financial statements in accordance with GAAP.
16 To the extent that the Commission's Rules require Volo to utilize the Uniform
17 System of Accounts ("USOA"), Volo requests a waiver of any such requirements
18 to allow the use of GAAP.

19
20 **Q. DOES THE APPLICANT POSSESS THE MANAGERIAL AND**
21 **TECHNICAL QUALIFICATIONS, EXPERIENCE AND PERSONNEL TO**
22 **PROVIDE THE PROPOSED PUBLIC TELECOMMUNICATIONS**
23 **SERVICES?**

1 A. Yes. Volo has a team of experienced managers, as evidenced by the background
2 summaries of Volo's management team submitted as Exhibit "D" to the
3 application. In addition, Volo's technical capability will be equivalent to that of
4 its underlying carriers which maintain the infrastructure.

5
6
7 **Q. WILL VOLO OFFER SERVICES TO END-USERS ON A NON-**
8 **DISCRIMINATORY BASIS WITHIN ITS DESIGNATED SERVICES**
9 **AREAS?**

10 A. Yes, it will.

11
12 **Q. IS VOLO PREPARED TO COMPLY WITH SOUTH CAROLINA LAW**
13 **AND WITH ALL APPLICABLE RULES AND REGULATIONS OF THE**
14 **COMMISSION?**

15 A. Yes. Volo is prepared to comply with all applicable rules and regulations of the
16 Commission, including those regulations governing deposits, advance payments,
17 late charges, and disconnection of service.

18
19 **Q. IN YOUR OPINION, IS THE GRANTING OF VOLO' APPLICATION IN**
20 **THE PUBLIC INTEREST?**

21 A. Yes. By granting Volo' Application, the Commission will authorize a new,
22 highly-qualified, telecommunications service provider to commence offering
23 service to the public in South Carolina. Competition in the local exchange
24 telecommunications service market is in the public interest in that it will promote

1 efficiency in performance, innovations, and increase market responsiveness to
2 consumer demands.

3
4 **Q. IN YOUR OPINION, DOES VOLO POSSESS THE FINANCIAL AND**
5 **TECHNICAL CAPABILITY TO PROVIDE THE SERVICES IT**
6 **PROPOSES TO OFFER IN SOUTH CAROLINA?**

7 A. Yes, it does.

8
9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.